

## Message Text

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ACTION OES-06

INFO OCT-01 EA-07 ISO-00 FEA-01 ACDA-07 CIAE-00 INR-07

IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-05 DODE-00 SS-15

H-02 PM-04 COME-00 /083 W  
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R 090525Z NOV 76  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 3448  
INFO ERDA WASHDC  
ERDA GERMANTOWN

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 16610

E.O. 11652: GDS  
TAGS: TECH, JA  
SUBJECT: INITIAL REACTION OF KEY JAPANESE NUCLEAR OFFICIALS TO  
PRESIDENTIAL NUCLEAR POLICY STATEMENT

1. SCICOUNS AND ERDA REP MET INDEPENDENTLY WITH YOSHIO KAWASHIMA, DIRECTOR, NUCLEAR MATERIALS CONTROL CENTER AND GORO INOUE, ACTING CHAIRMAN JAPAN ATOMIC ENERGY COMMISSION RESPECTIVELY, IN MEETINGS WHICH HAD BEEN SCHEDULED PRIOR TO THE ISSUANCE) OF THE PRESIDENT'S POLICY STATEMENT.

2. WHILE BOTH DISCUSSIONS REFLECT ONLY VERY PRELIMINARY REACTIONS TO THE PRESIDENTIAL STATEMENT, EMBOFFS BELIEVE THESE PARTICULAR SOURCES REPRESENT AUTHORITATIVE, TECHNICALLY QUALIFIED RESPONSES BY POLITICALLY ASTUTE AND RESPONSIBLE INDIVIDUALS WHO ARE KEY PARTICIPANTS IN THE JAPANESE NUCLEAR COMMUNITY AND WHO WILL CERTAINLY BE HEAVILY INVOLVED WITH THE ULTIMATE DEFINITION OF JAPANESE NUCLEAR FUEL CYCLE POLICY.

3. IN SUMMARY, BOTH JAPANESE, WHILE AGREEING TO THE WORTHWHILE GOAL OF RESTRICTING THE AVAILABILITY OF PLUTONIUM, EXPRESSED CONCERN THAT JAPAN'S CURRENT NUCLEAR POWER PROGRAM WOULD SUFFER ECONOMICALLY  
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WITHOUT PU RECYCLE, AND THAT THE FAST BREEDER REACTOR WHICH JAPAN IS DEVELOPING AS A TOP PRIORITY EFFORT IN

THE BELIEF THAT IT IS ESSENTIAL PART OF ITS ELECTRICAL GENERATION PROGRAM, WILL BE SEVERELY PENALIZED. THEY BOTH COMMENTED ON THE ALREADY EXTENSIVE AVAILABILITY OF PU IN NWS AS CONTRASTED WITH NNWS.

4. SCICOUNS DISSION WITH KAWASHIMA WAS LARGELY IN TERMS OF KAWASHIMA'S SAFEGUARDS AND SECURITY INTERESTS, BUT HE MADE OTHER POINTS OF POSSIBLE IMPORTANCE AS WELL. ALTHOUGH ADMITTING THAT HE HAD NOT YET STUDIED FULL TEXT OF POLICY STATEMENT (COPY OF WHICH WAS GIVEN HIM), HE NOTED THAT WHAT MIGHT BE SUITABLE POLICY FOR U.S. COULD ACT DETRIMENTALLY TO JAPAN'S INTERESTS. IN THIS REGARD HE CITED THREE-YEAR OR LONGER MORATORIUM ON USG INVOLVEMENT IN COMMERCIAL REPROCESSING, WHEREAS JAPAN MUST CONTINUE TO DEVELOP AND COMMERCIALIZE REPROCESSING TO PROVIDE PLUTONIUM FOR LWR RECYCLE FUEL AND TO TAKE FIRST STEP TOWARD PERMANENT IMMOBILIZATION OF HIGH LEVEL WASTES; OTHERWISE, JAPAN WOULD BE REQUIRED TO INCREASE ITS PURCHASES ABROAD OF NATURAL URANIUM AND ENRICHMENT SERVICES AT PRICES NOT UNDER ITS CONTROL. HE ALSO EXPRESSED BELIEF THAT JAPAN ITSELF WAS BECOMING A LOGICAL SITE FOR LOCATING A REGIONAL REPROCESSING PLANT IN ACCORDANCE WITH PRECEPTS OF NEW U.S. POLICY. IF LATTER OBJECTIVE WERE TO BE ACCOMPLISHED, CLOSE COOPERATION -- BEGINNING AS SOON AS POSSIBLE -- WOULD BE REQUIRED BETWEEN USG AND GOJ IN DEVELOPING MUTUALLY SATISFACTORY SAFEGUARDS AND PHYSICAL SECURITY TECHNOLOGY AND METHODS FOR REPROCESSING PLANTS, AND PARTICULARLY FOR THE TOKAI-MURA PILOT PLANT. CONTRARY TO VIEW EXPRESSED PREVIOUSLY BY SOME GOVERNMENT OFFICIALS, HE OFFERED OPINION THAT POLITICALLY SENSITIVE COUNTRIES SUCH AS TAIWAN, SOUTH KOREA, AND PHILLIPINES COULD WELL BE CUSTOMERS OF JAPANESE-SPONSORED REGIONAL REPROCESSING PLANT. KAWASHIMA DID EXTEND HIS ARGUMENT ON USE OF JAPAN AS SITE FOR REPROCESSING PLANT TO OBSERVE THAT AUSTRALIA WAS MOST LOGICAL COUNTRY IN ASIA IN WHICH TO PERFORM BOTH REPROCESSING AND HIGH LEVEL WASTE RETENTION OR DISPOSAL, BUT CONJECTURED THAT POLITICAL AND EMOTIONAL CLIMATE IN

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AUSTRALIA WAS NOT YET SUITABLE FOR SERIOUS EXPLORATION OF THIS POTENTIAL.

5. REGARDING SAFEGUARDS AND PHYSICAL SECURITY ASPECTS OF POLICY STATEMENT, KAWASHIMA SAID THAT MESSAGE SEEMED TO REFLECT USG POSITION PREVIOUSLY REVEALED IN LONDON SUPPLIERS' MEETINGS AND IN IAEA AND THAT JAPAN WOULD BE FOLLOWING SAME GENERAL PRINCIPLES. HE POINTED OUT THAT JAPAN WAS ONLY COUNTRY IN ASIA WITH WHOM US COULD COOPERATE IN DEVELOPING SAFEGUARDS AND SECURITY METHODS OF BROAD

APPLICATION, AND HE REITERATED PLEA MADE BY KURIHARA PREVIOUSLY (TOKYO 16002) FOR JOINT USG/GOJ "DEMONSTRATION" OF SAFEGUARDABILITY OF TAKAI-MURA PLANT.

6. LAST POINT MADE BY KAWASHIMA WAS THAT JAPANESE WERE POORLY ORGANIZED TO CARRY ON INTERNATIONAL DISCUSSIONS ON SAFEGUARDS, SECURITY, ETC. AT THE TECHNICAL AND POLICY LEVEL, SINCE THERE WERE ONLY A HANDFUL OF OFFICIALS WITHIN GOJ WITH SUFFICIENT BACKGROUND, AND SINCE INDUSTRY WAS STILL PAROCHIAL IN ITS OUTLOOK. HE CITED FOLLOWING AS BEING WELL-INFORMED AND SUITABLE FOR CONSULTATION BY USG: NEW ATOMIC ENERGY COMMISSIONER NIIZEKI; OTSUKA OF FOREIGN OFFICE; IHARA OF NUCLEAR SAFETY BUREAU, STA. HE WAS HARD PRESSED TO THINK OF GOOD INDUSTRY REPRESENTATIVE, AND STATED THAT POSITION OF TAMIYA, ERG, LESS PIVOTAL THAN PREVIOUSLY, TO SURPRISE OF EMBOFF. HE ALSO OPINED THAT WITH INCREASING ROLE OF MITI IN NUCLEAR ENERGY MATTERS, IT WOULD BE NECESSARY TO IDENTIFY A GOOD MAN THERE.

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IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-05 DODE-00 SS-15

H-02 PM-04 COME-00 /083 W

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 3449

INFO ERDA WASHDC

ERDA GERMANTOWN

C O N F I D E N T I A L SECTION 2 OF 2 TOKYO 16610

7. ERDA REP MEETING WITH INOUE SET UP TO DISCUSS LACK OF JAPAN PROGRESS ON REVIEW DRAFT US-JAPAN ARRANGEMENT ON HIGH LEVEL WASTE MANAGEMENT, BUT INOUE VOLUNTEERED COMMENTS ON PRESIDENTIAL STATEMENT WHICH HAD ISSUED

THAT DAY AND WHICH HE HAD JUST SKIMMED. INOUE AGREES WITH AND BELIEVES JAPANESE NUCLEAR COMMUNITY CONCURS IN SENSE OF US POLICY OF RESTRAINING THE SPREAD OF PLUTONIUM FOR MAKING WEAPONS. HOWEVER, HE BELIEVES IMPLEMENTATION DIFFICULT PARTICULARLY ON JAPAN. HE STRESSED DIFFERENCE BETWEEN ENERGY RESOURCE AVAILABILITY IN JAPAN AND US. HE IS CONVINCED PU RECYCLE IS VERY IMPORTANT TO JAPAN AND TO OTHER RESOURCE-POOR BUT TECHNOLOGICALLY ADVANCED AND ENERGY INTENSIVE STATES, AS WELL AS DEVELOPING STATES. HE STATED THAT JAPAN'S COMMITMENT TO NUCLEAR POWER WAS MADE OUT OF NECESSITY SINCE IT HAS NO INDEGENOUS OIL AND ESSENTIALLY NO COAL.

8. THE LMFBR IS UNQUESTIONABLY NECESSARY IN INOUE'S MIND AS THE NEXT STEP IN THE NUCLEAR ELECTRICAL GENERATION PROGRESSION AND PU WILL BE NEEDED. INOUE POINTED OUT THE FACT THAT THE US, AS WELL AS THE OTHER NWS HAVE LARGE AMOUNTS OF PU AVAILABLE TO THEM; JAPAN DOES NOT. THE ONLY WAY JAPAN CAN OBTAIN SIGNIFICANT AMOUNTS OF PU AT THE PRESENT TIME IS FROM REPROCESSING SPENT FUEL. CONFIDENTIAL

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THE QUESTION OF WHETHER US WOULD MAKE AVAILABLE LARGE AMOUNTS OF PU TO JAPAN WAS NOT EXPLICITLY ASKED.

9. INOUE ASKED ABOUT MECHANISM OF RECYCLING SPENT FUEL WITHOUT SEPARATING PU. ERDA REP CONFESSED UNCERTAINTY AS TO STATUS CURRENT THINKING AND TECHNICAL DEVELOPMENT IN US ON THIS APPROACH, BUT INDICATED THAT PRESIDENTIAL STATEMENT ASSIGNED RESPONSIBILITY TO ERDA TO INVESTIGATE FEASIBILITY WHICH ERDA WILL UNDOUBTEDLY DO.

10. IN SUMMARY, INOUE EXPRESSED UNDERSTANDING OF OVERALL INTENTION STATEMENT AND US POLICY OF RESTRICTING AVAILABILITY PU, BUT QUESTIONED MECHANISM OF IMPLEMENTATION. WHILE AGREEING THAT COMPETITION IS IMPORTANT IN DRIVING COSTS DOWN INOUE STATED HIS BELIEF THAT, IN THE PRESENT TECHNOLOGICAL STAGE AND WITH THE PRESENT SAFEGUARDS CONCERNS, IT IS NOW THE TIME FOR COOPERATION; COMPETITION CAN COME LATER. TRANSLATIONS/TEXT OF EXTENSIVE EDITORIAL COMMENT BEING POUCHED TO OES/NET AND ERDA. HODGSON

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